GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:59
ANSWERED ON:28.02.2008
LOSSES TO AI AND IA
Gandhi Smt. Maneka;Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of CIVIL AVIATION be pleased to state:

(a) Whether the Air India (AI) and Indian Airlines (IA) have reported a loss of nearly Rs. 850 crore for 2006-07 fiscal as reported in the Times of India dated November 25,2007;

(b) if so, the facts thereof;

(c) whether the Government is aware that there has been a 40% growth in the Indian aviation sector;

(d) if so, the reasons for such huge losses in the national carriers;

(e) whether the Government has taken any steps to improve the operations and profits of both Air India and Indian Airlines; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION(SHRI PRAFUL PATEL)

(a),(b),(c),(d),(e) & (f): A statement is laid on the Table of the House.

Statement in reply to parts (a),(b),(c),(d),(e)& (f) of the Lok Sabha Starred Question.No.59 for reply on 28.02.2008 tabled b y Shri S.K.Kharventhan and Shrimati Maneka Gandhi regarding Losses to AI and IA

(a)&(b) : The erstwhile Air India and Indian Airlines have incurred a net loss of Rs.447.93 crores and Rs.240.29 crores respectively during the year 2006-07.

(c) : The domestic and international passenger carriage has shown a growth of 39% and of 15% respectively during the year 2006-07.

(d):A combination of factors such as high Aviation Turbine Fuel (ATF) prices,rising labour costs and intense price competition among the airline operators have been the main reasons for the losses of the National Carriers.

(e)&(f): In order to improve the operational performance and profitability, the Government has approved the merger of Air India and Indian Airlines into National Aviation Company of India Limited. Further, the airlines have been permitted to add more capacity by purchasing 111 state-of-the-art new aircraft. Other commercial measures such a s route rationalization alongwith introduction of services on new routes, product improvement and joining of `Star Alliance` have been taken by the merged airline. These are expected to boost the profits of the company.